

California Board of Accountancy

President's Message



Navid Sharafatian, Esq.
President

The accounting profession, as well as the regulation of the profession, continue to receive unprecedented attention. The result is reform which will cause significant change in the practice of public accounting, all of which hopefully will better serve the public, capital markets, and the accounting profession. The California Board of Accountancy clearly has assumed a substantial and visible role in this effort.

The Board's approach and efforts have been multi-pronged in assuming this leadership role. Aside from the many meetings of the Board itself, Board members are routinely attending legislative hearings, participating in meetings with the Governor's Office, the Legislature and other state agencies including the Department of Consumer Affairs, writing letters to the Governor, state legislators and the federal government, and attending various workshops and conferences.

In the previous issue of *Update*, I described the work of the Board's Audit Standards and Practices Review Task Force and the Committee on

Professional Conduct in developing recommendations to enhance the Board's effectiveness in protecting California's consumers. Since that time, there has been increased momentum for significant reform in the regulation of the accounting profession. In addition to Enron and WorldCom, other examples of questionable auditing and accounting practices have filled the headlines.

In response to this crisis of consumer and investor confidence, Congress and President Bush have enacted the Sarbanes-Oxley Act of 2002 to create the Public Company Accounting Oversight Board to oversee auditors of publicly-traded companies. This five-member Board would have a majority of public (non-CPA) members, and it would have standard-setting authority as well as responsibility for enforcing audit, quality control, and independence requirements.

In passing the new federal law, Congress considered many of the same issues as the Board's Audit Standards and Practices Review Task Force and arrived at conclusions similar to those that the Board reached a few months ago. The Sarbanes-Oxley Act establishes a seven-year record retention requirement for audit documentation, restricts the nonaudit services auditors may provide to audit clients, and places a one-year restriction on employment with audit clients.

While this represents a significant change in federal

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Update

Mission Statement

The mission of the California Board of Accountancy is to protect the public welfare by ensuring that only qualified persons are licensed and that appropriate standards of competency and practice are established and enforced.

Vision Statement

It is the vision of the California Board of Accountancy to become the premier regulatory agency that operates with maximum efficiency, fosters continuous quality improvement, and provides exemplary consumer protection while recognizing the changing consumer demographics and nature of services provided by licensed professionals.

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regulation of the public accounting profession, state boards such as the California Board of Accountancy continue to be the only regulatory entities that can issue individual or firm certified public accounting licenses, or revoke those licenses because of actions resulting in consumer harm; additionally, state boards will continue the very important role of overseeing auditors of privately-held companies, nonprofits, and government agencies.

This Board continues to be deeply concerned about the need to take action to restore investor confidence in audited financial information and to reinstate the consumer's trust in the honesty and integrity of the public accounting profession. Its efforts over the past several months were critical to the advancement of many of the reforms being considered and recently passed by the California Legislature.

A summary of these reforms, signed into law by Governor Davis in August 2002, are as follows:

- AB 2873 by Assembly Members Dario Frommer (D-Los Feliz) and Lou Correa (D-Anaheim) enhances standards for audit documentation for all audits performed by California licensees — not just the audits of publicly-traded companies addressed by the Sarbanes-Oxley Act. AB 2873 establishes a reasonable professional standard by requiring that audit documentation be sufficiently complete so that a knowledgeable reviewer can examine the documentation and understand the audit procedures that were performed. This bill also provides that if a procedure is not documented, it can be presumed that the work was not done. The burden of proving the work was done shifts to the accountant. In addition, AB 2873 establishes a seven-year document retention standard that is consistent with the Sarbanes-Oxley Act. The provisions in this bill are largely consistent with the recommendations in the Board's April 15, 2002, *Report and Recommendations on Audit Standards and Practices*.
- AB 2970 by Assembly Member Howard Wayne (D-San Diego) relates to employment of the auditor by the audit client and is intended to stop "revolving door" employment practices. AB 2970 prohibits auditors from accepting positions that would allow them to exercise significant authority over the accounting and auditing functions of an audit client for a 12-month period following

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Issues of Interest *to the Consumer and the Practitioner*

News to You

CBA Files Accusation Against Arthur Andersen LLP

The Board has filed an accusation to revoke Arthur Andersen LLP's license to practice public accountancy in California. As the state of Texas has revoked Arthur Andersen LLP's license, the Accountancy Act (Business and Professions Code Section 5100) allows California to take action to revoke the license based upon disciplinary action imposed by another state, governmental body, or agency.

On August 1, 2002, the Board received a letter from Arthur Andersen LLP stating that Andersen was "voluntarily relinquishing and terminating its firm license to practice public accountancy in the state of California," effective as of July 31, 2002. The Board responded that it considered the relinquishment and termination of Andersen's license to be a surrender of that license, and the surrender would not "deprive the Board of its authority to institute or continue a disciplinary proceeding against the licensee." As a result of Andersen's letter to the Board, it is no longer able to practice public accountancy in California as of July 31, 2002. Arthur Andersen LLP was first licensed in California in 1946.

New Board Member

Gail K. Hillebrand has been appointed as a member of the California Board of Accountancy by Governor Davis. Ms. Hillebrand has been an attorney with the Consumers Union of U.S. Inc., since 1985. She earned a bachelor of arts degree from the University of California, San Diego, and a juris doctorate degree from Boalt Hall School of Law. Earlier this year, Ms. Hillebrand served on the Board's Audit Standards and Practices Review Task Force. A public member, her term expires January 1, 2006.

Substantial Equivalency for Pathway 2

The Board has received formal notification from the National Association of State Boards of Accountancy (NASBA) that CPAs licensed under Pathway 2 qualify for "substantial equivalency." This new status will make it easier for these licensees to practice in the 42 other

"substantially equivalent" states. To qualify for licensure under Pathway 2, the applicant must meet the requirements specified in Section 5093 of the Accountancy Act, including completing 150 semester units of education.

For additional information about "substantial equivalency," including links to the Web sites of accountancy boards in other substantially equivalent states, log onto www.nasba.org.

Uniform CPA Examination

The Uniform CPA Examination was held May 8 and 9, 2002, in Pleasanton, Pomona, and Sacramento. Although 9,985 candidates were scheduled, after a 20.7% "no show" rate, 7,917 candidates actually sat for the exam.

Candidates for the May 2002 exam had a choice of three different pathways: 6,432 candidates selected Pathway 0 – the former requirements, 2,154 selected Pathway 1, and 1,399 selected Pathway 2.

Beginning with the November 2002 CPA Exam, all new candidates must choose either Pathway 1 or Pathway 2. As of September 5, 2002, out of 3,807 first-time applicants, 3,302 candidates had used the on-line application for the November 2002 exam.

New Regulations

New regulations are in effect and posted on the Board's Web site. Section 4 in Article 1 provides "safe-harbor language" that unlicensed persons may use when they prepare financial statements. This regulation was developed in response to a request from the California Society of Enrolled Agents.

Sections 6 through 14 in Article 2 provide details about education, examination, and experience requirements under the new Pathways. These regulations clarify the revisions to the Board's licensure laws that were enacted in 2001.

Prohibitions on Referral Fees

by Larry Knapp, Investigative CPA

Since the revisions to Business and Professions Code Section 5061 (Commissions) became effective in 1999, the Board has received questions relative to this subject from time to time.

In regard to the acceptance of a fee, under Section 5061, a licensee "... may accept a fee or commission for providing a client with the products or services of a third party where the products or services of a third party are provided in conjunction with the professional services provided to the client by the person engaged in the practice of public accountancy. Nothing in this subdivision shall be construed to permit the solicitation or acceptance of any fee or commission solely for the referral of a client to a third party."

There is only one exception to the prohibition on referral fees. Under Business and Professions Code Section 5061, licensees may pay a fee or commission for obtaining clients in conjunction with the purchase of an accounting practice. No other exceptions are provided under Section 5061 for paying fees to obtain new clients. Therefore, a payment of a fee for obtaining a new client based on the referral from such businesses as a local

attorney, an insurance agent, a financial institution, or other like entities specifically is prohibited.

As defined under the California Code of Regulations, Title 16, Section 56.1 (Commissions — Professional Services Provided to the Client), "The professional services which must be provided to the client with the product or services of a third party shall include consultation with the client regarding the third party's product or service in relation to the client's circumstances." To clarify, the fee or commission earned by the licensee must be based on a service that provides some form of value to the client. Consequently, a fee arrangement, for example, that provides a licensee with a fee or stream of payments based solely on the referral of a client to an investment program, is prohibited under Section 5061.

Whatever the referral arrangement may be, it is the responsibility of every licensee to understand and be in compliance with the provisions of Business and Professions Code Section 5061 and Section 56.1 of the Accountancy Regulations, both available on the Board's Web site.

A licensee who has questions related to disclosure requirements in connection with commissions, or a potential referral fee arrangement can contact the Board's Enforcement Division by e-mail at enforcementinfo@cba.ca.gov, or by telephone at (916) 263-3962. ❖

Information

Each issue of *Update* contains important information about the public accounting profession, including notices of proposed hearings on regulation changes, Board and committee meetings, proposed new regulatory language, and topical information about enforcement, examination, licensure, and continuing education issues. For ease of reference, we suggest that after you receive and read *Update*, you place these issues in your professional library. For your convenience, all issues of *Update* since 1998 also are posted on our Web site at www.dca.ca.gov/cba.



California Board of Accountancy

What's New at www.dca.ca.gov/cba

“Submit Online” Complaint Form

The Board's “submit online” complaint form against a licensee is now operational. This new feature made its debut in July 2002.

When submitted electronically, the form goes directly to the Board's Enforcement Division for intake and processing, and the consumer will receive an e-mail acknowledgment that the complaint has been received by the Board.

In the first month of availability, the Board's Enforcement Division received 11 complaints filed online. However, as always, a consumer still may fill in and print the form to mail to the Board.

Web License Lookup — “Experience Completed” Field Added

A new field will be added to our Web License Lookup feature for individual licenses titled “Experience Completed.” The “A” or “G” designation relates to whether the licensee is qualified to sign attest reports on attest engagements. Please visit our License Lookup page at www.dca.ca.gov/cba/lookup.htm for further information and related definitions.

Firm Licensure Information Added

The project to add firm licensure information to our Web site is nearly completed. We will add information regarding fictitious names, partnerships, and corporations. As in other sections, we will include links to relevant codes and regulations for each of these groups of licensees.

Newly-Added Forms and Publications

The following forms relating to firm licensure will be available on the Board's Web site:

- Fictitious Name Application for Sole Practitioner Packet.
- Partnership Application for Licensure Packet.
- Partnership Name Change Application.
- Accountancy Corporation Application for Licensure Packet.
- Accountancy Corporation Name Change Application.

As mentioned in the last *Update*, our Licensing Unit has completed the *Licensing Candidate Handbook*. Although this information is available on our regular Web pages, the handbook now is available to print out and use as a reference.

Resulting from the work and deliberations of the Board's Audit Standards and Practices Review Task Force, the *Report and Recommendations on Audit Standards and Practices* also is now available from the “Forms and Publications” page of our Web site. This report addresses critical issues in the regulation of the accounting profession.

We value your input and always look forward to hearing suggestions to make the Board's Web site more informative for our licensees. Please address your comments and questions concerning the Board's Web site to Ms. Holly Hansen, our Web Page Master, at pagemaster@cba.ca.gov. ♦

issuance of the financial statement report. This closely parallels the Sarbanes-Oxley Act and recommendations in the Board's April 15, 2002, report.

- AB 270 by Assembly Member Lou Correa (D-Anaheim) and Senator Liz Figueroa (D-Fremont) makes a number of significant law changes to enhance the Board's ability to protect consumers by strengthening the Board's Enforcement Program. AB 270 makes repeated negligent acts cause for discipline and also clarifies the Board's authority to discipline licensees based on action by the newly-created federal Public Company Accounting Oversight Board. Further, the bill expands the "radar screen" of information available to the Board's Enforcement Division by requiring licensees to self-report any restatement of a financial statement by the licensee's audit clients, any judgment in a civil action related to the licensee's professional practice, and the initiation of any formal investigation by the SEC or the new Public Company Accounting Oversight Board. Settlements or arbitration awards over \$30,000 also will be reported, either by the insurer or by the licensee, if self-insured. In addition, courts are required to report convictions and judgments against licensees.

Meeting your PC&E Course Requirement

Since January 1, 1998, Professional Conduct and Ethics (PC&E) continuing education has been required every six years for all active license renewals. This eight-hour course provides information on the provisions of the current Accountancy Act, the Board of Accountancy regulations, and other rules of professional conduct.

The PC&E requirement is being phased in over a six-year period. According to the timetable, one-third of the licensee population will meet the requirement in a specified two-year period, based on the last two digits of their CPA/PA license number.

- Practitioners whose license number ends in the "01-33" range should have completed the initial PC&E course by their license renewal date in 1998 or 1999, as applicable.

Besides making law changes to improve the Board's enforcement capabilities, AB 270 also adds two public members to the Board so that it will consist of 13 members with a public member majority. With this historic change, the Board's composition will parallel the Public Company Accounting Oversight Board.

While the Governor has signed these three bills into law, effective January 1, 2003, our work is not done. The Board will need to develop implementing regulations to clarify the new requirements. We encourage your participation in this process by sharing your comments and ideas, as this Board pursues its objective of providing for the protection of the public and a regulatory platform upon which the accounting profession will have the public's trust in making investment decisions.

I cannot recall a time when such significant change occurred so quickly. We will, of course, always do our best to keep you apprised of developments.



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- Those whose license number ends in the "34-66" range should have met the PC&E requirement by their license renewal date in 2000 or 2001, as applicable.
- Licensees whose license number ends in the "67-00" range must meet the PC&E requirement by their license renewal date in 2002 or 2003, as applicable.

Please remember that only Board-approved courses satisfy the requirement.

A current list of Board-approved courses is available on the Board's Web site at www.dca.ca.gov/cba. This list is also available by e-mailing renewalinfo@cba.ca.gov, faxing, or telephoning a request to the Board's staff in the Renewal Unit. The telephone numbers are listed on the back page of this publication. ♦

Converting from Inactive License Status

Each year, approximately 8,800 licensees choose to renew their CPA licenses as inactive. While a practitioner may renew the license as inactive without completing continuing education, the renewal fees still are due at the time of renewal.

The holder of a CPA license in inactive status who is not practicing public accountancy and is employed in private industry, government, or education may use the CPA designation or the designation "Inactive CPA" in connection with that employment. However, the holder of a CPA license in inactive status may not use the CPA designation or the designation "Inactive CPA" when offering to perform the services and activities defined under Business and Professions Code Section 5051. Only the holder of an active license may engage in the practice of public accountancy as defined under Business and Professions Code Section 5051.

An inactive licensee can convert from inactive to active prior to the license expiration date by completing 80-hours of continuing education (CE), including a Board-approved Professional Conduct and Ethics course, in the 24-month period prior to conversion. A minimum of 50 percent of the CE hours must be completed in technical subject areas, including:

- Accounting.
- Auditing.
- Computer and Information Technology (except for word processing).
- Consulting.
- Financial Planning.
- PC&E course.
- Specialized industry or government practices that focus primarily upon the maintenance and/or enhancement of the public accounting skills and knowledge needed to competently practice public accounting.
- Taxation.

Licensees converting from inactive to active status must fulfill the 24-hour governmental CE requirement if, during the 24-months prior to conversion, the licensee planned, directed, or conducted substantial portions of field work, or reported on financial or

compliance audits of a governmental agency — or reported on an audit, review, compilation, or attestation service of a nongovernmental agency.

The remaining 50 percent of required CE can be completed in technical subject areas or nontechnical subject areas such as communication skills, word processing, sales, marketing, motivational techniques, negotiation skills, office management, practice management, and personnel management.

Once the license status is converted from inactive to active, the practitioner must complete 20 hours of CE for each full six-month period from the date of conversion to the next license expiration date. If the period between the date of conversion to the next renewal date is less than six full months, no CE is due at renewal time. The licensee will be notified in writing regarding the number of CE hours due for the next active renewal period.

The license status conversion form can be obtained on the Board's Web site, by contacting the Board's Renewal Unit by e-mailing renewalinfo@cba.ca.gov or by telephoning (916) 263-3934. ❖

Licensing FAQ/ *QuickBooks*®

Question: I listed a *QuickBooks*® class as an Accounting and Auditing (A&A) course on my renewal form. Today, I received a deficiency letter from the Board stating that this course does not qualify as A&A, and I will have to complete another course. I don't understand. The course provider advertised the course as A&A, and the certificate of completion states that this is an A&A course.

Answer: In each two-year renewal cycle, California licensees are required to complete 24 hours of continuing education (CE) in A&A if they plan, direct, approve, perform a substantial portion of the work or report on an audit, review compilation, or attestation service on a nongovernmental entity. To qualify as A&A, courses must cover financial statement preparation and/or reporting (prepared on the basis of generally accepted accounting principles or other comprehensive bases of accounting), auditing, reviews, compilations, industry accounting, attestation or assurance services.

It is the Board's policy to accept accounting software courses as A&A only if the course enhances A&A skills by meeting the above requirements, and the software is used for illustrative purposes only. Generally, the Board has found that the content of accounting software courses does not satisfy this requirement. However, although accounting software courses do not qualify as A&A, they may qualify as technical CE in another category, such as computer and information technology.

Please note that the Board accepts only CE courses that comply with the California Accountancy Act and Sections 88 and 89 of the California Board of Accountancy Regulations. Although a course may be approved by the National Association of State Boards of Accountancy (NASBA), that approval does not guarantee that the course will qualify as CE in all 50 states, nor that the course will be accepted as the same subject matter designated by NASBA, the course provider, or stated on the certificate of completion. Each state's accountancy board is the final decision-maker regarding qualifying CE.

Avoiding Delay or Rejection of Exam and Licensing Applications

Each year, Board staff are forced to delay or reject examination and licensing applications because of avoidable errors or oversights by candidates. What follows is a list of guidelines to follow to avoid application problems.

CPA Exam Candidates

- Submit your application and fees on time. Final filing dates are definite.

For the May CPA Exam, the final filing date for first-time sitters is February 1. For repeat sitters, it is March 1.

For the November CPA Exam, the final filing date for first-time sitters is August 1 and, for repeat sitters, September 1.

- Include the total payment.

At this time, the exam application includes a nonrefundable \$60 processing fee and a \$36 per section fee.

- Meet the minimum educational requirements.

Candidates should review their transcripts to determine if they meet the minimum educational requirements of Pathway 1 or Pathway 2.

- Have official transcripts or foreign credential evaluations mailed prior to the final filing date.

Educational documents must be mailed to the Board directly from the U.S. college or Board-approved foreign credentials evaluation service, postmarked on or before the final filing date.

CPA Licensing Candidates

- Include the \$250 processing fee with your completed application.

- Indicate the Pathway under which you are applying.

If using an application form with a revision date prior to 7/02, write at the top of the first page which pathway (0, 1, or 2), and also indicate if you

are applying with general experience (Form G) or audit experience (Form E). Please note Pathway 0 applicants must use only the Form E.

- To avoid delays, have official transcripts or foreign credential evaluations mailed after graduation or evaluation of a foreign degree.

If you are unsure if your file contains official documents, it is recommended that they be mailed directly to the Board by the U.S. college or Board-approved foreign credentials evaluation service prior to applying.

- Sign and date the Criminal Conviction Disclosure Form.
- Attach a 2x2 current photo to the application form.
- Complete the ethics requirement.

The self-study Professional Ethics for CPAs course and exam (PETHSS02) is available from the Board-approved provider, California CPA Education Foundation. Contact the California CPA Education Foundation at (800) 877-5897 or www.educationfoundation.org.

- Complete the Live-Scan Fingerprint Clearance.

Applicants unable to utilize California's Applicant Live-Scan system must submit two fingerprint cards and a \$56 processing fee. Live-Scan fees are paid directly to the law enforcement agency providing the service. See the Board's Web site for detailed information.

- Have your employer(s) send the Form E or Form G directly to the Board.

All sections must be completed and an individual with a valid active license to practice public accounting should sign the form. ❖

Pathway Choices for Initial Licensure

On January 1, 2002, significant statutory changes became effective for applicants for CPA licensure in California. As a result of the changes, there are now three pathway options for licensure: Pathway 0 (former requirements with mandatory audit experience), Pathway 1 (increased minimum education requirement and non-audit general experience option), and Pathway 2 (UAA education requirement and non-audit general experience option).

The statutory changes have also increased the Board's workload. Between January 1, 2002, and mid-July 2002, the Board received more than 1,900 new license applications. In contrast for the entire year of 2001, the Board received just over 2,000 new license applications. This great influx of applications has lengthened the processing time frame from eight weeks to 12 weeks for a "completed" license application.

2002 Initial Licensing Statistics as of Mid-July

Licensed Under	Number of Licenses Issued
Pathway 0	217
Pathway 1 – General Experience	169
Pathway 1 – Audit Experience	63
Pathway 2 – General Experience	86
Pathway 2 – Audit Experience	<u>36</u>
TOTAL	571

Future Meetings

October 23, 2002

Qualifications Committee

*Mission Inn Hotel
3649 Mission Inn Ave.
Riverside, California 92501*

November 7, 2002

Administrative Committee

*Barnabey's Hotel
3501 Sepulveda Blvd.
Manhattan Beach, California 90266*

November 15, 2002

**Board Meeting/
Committee on
Professional Conduct**
San Diego

January 8, 2003

Qualifications Committee

*Sofitel San Francisco Bay
223 Twin Dolphin Drive
Redwood City, California 94065*

January 9, 2003

Administrative Committee

*Courtyard Marriott-Emeryville
5555 Shellmound Street
Emeryville, California 94608*

January 24, 2003

**Board Meeting/
Committee on
Professional Conduct**
San Francisco

Board, committee, and task force meetings are open to the public. Licensees are encouraged to attend. As meeting locations become known, they will be posted on the Board's Web site at www.dca.ca.gov/cba and also are available by calling the Board's office at (916) 263-3680.

Public notices and agendas are posted to the Web site 10 days prior to the meeting.

Spotlight on the Exam Unit

Every six months, the Board receives and processes approximately 12,000 applications for the Uniform CPA Examination and then administers the exam at three locations. The Board's Exam Unit is responsible for all the tasks associated with the CPA Exam.

Under the supervision of the Licensing Unit Manager, nine permanent Exam Unit staff members and two seasonal staff members work together to ensure a smooth application and examination process for all persons seeking qualification as California CPA Exam candidates.

Of these staff members, there are five office technicians who make up the hard-working technical staff. They answer questions, review applications to ensure that exam applicants meet the requirements, notify applicants of any deficiencies, and maintain each applicant's file. Each staff member handles more than 2,000 applications during an exam cycle. If an applicant has a problem qualifying for the exam or has a question about his or her application, the office technician is the point of contact.

Supporting the technical staff, one office assistant and two seasonal workers answer an average of 350 calls made each week to the Exam Unit's general information line, in addition to performing many of the administrative duties in the unit.

Finally, three analysts make certain exam site contracts are in place for the administration of the exam, process appeals from applicants, and process applicant requests for special accommodations related to the exam. Not only do the analysts work with the staff to develop procedures, but also they work directly with staff during the implementation of those procedures. The analysts develop exam applications and all the accompanying information that goes out to applicants via the Web, e-mail, or in hardcopy format. They also work with the exam proctors who are hired to help administer the exam at the test sites.

Who are the proctors? When the applications begin pouring into the Board office, additional temporary staff is needed. Currently, nine proctors provide invaluable help in processing all the applications, pulling files, scheduling candidates, and mailing the admittance materials. These same proctors also work at the Sacramento site during the exam. Many return year after year, and at least one proctor has been helping in the Board office and at the exam site for more than 10 years.

In California, the CPA Exam is administered in three cities, with the help of more than 500 temporary proctors hired to assist with the physical administration of the exam. Four Chief Proctors in Pomona hire and coordinate the efforts of over 300 proctors during the exam. At the Pleasanton site, two Chief Proctors oversee approximately 110 proctors, and in Sacramento, one Chief Proctor supervises approximately 80 proctors. In addition, Board staff travel to the sites during the exam to address any policy or administrative issues that arise.

All of the 12,000 applications for the November 6-7, 2002, CPA Exam will be processed between July 1 and November 1. For a successful effort, it takes the combined work of all the Exam Unit staff and proctors, in conjunction with the Board's administrative and technical computer support staff, to ensure that applications are processed accurately and on time. ❖

Policy of Nondiscrimination on the Basis of Disability and Equal Employment Opportunity

The California Board of Accountancy does not discriminate on the basis of disability in employment or in the admission and access to its programs and activities.

An Americans with Disabilities Act (ADA) coordinator has been designated to coordinate and carry out this agency's compliance with the nondiscrimination requirements of Title II of the ADA. Information concerning the provisions of the ADA, and the rights provided thereunder, is available from:

ADA Coordinator
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, California 95815-3832

It's All in the Numbers A Statistical Review of Enforcement Activities

The objective of the Board's Enforcement Division is to protect consumers, minimize substandard practice, rehabilitate licensees, and discipline licensees, as warranted. The division is staffed with professional Investigative CPAs whose activities include investigating complaints against persons practicing without a valid license and taking disciplinary actions against licensees for violations of Board statutes and regulations. The Board investigates complaints based upon substantial and tangible facts relating to specific violations of the Board's laws and regulations. In addition, the Enforcement Division monitors compliance with continuing education requirements, and it actively reviews the work products of CPAs, PAs, and CPA firms to ensure compliance with appropriate accounting standards.

The Board's Enforcement Division processes all complaints received and has developed a standard complaint form to assist complainants in providing the information required before the investigative process can begin. The complaint form is available on the Board's Web site via a submit online version, or a fill-out and print PDF version, as well as by contacting the Board at enforcementinfo@cba.ca.gov or (916) 263-3971.

Once a complaint is received, the complainant is notified within five days that the Board has received it. Within two weeks, the complaint is processed through "intake" in which one of the Board's professional Investigative CPA staff reviews the complaint for jurisdiction, complexity, and availability of basic factual materials. At this point, the following actions may be taken:

- The case may be assigned to an Investigative CPA, if jurisdiction is confirmed.
- The intake investigator may contact the complainant to obtain additional information.
- A complaint may be closed because the Board has no jurisdiction in the issues alleged, such as fee or civil disputes, or the lack of accountant/client relationship.

Gross negligence, unprofessional conduct, and practice without a valid license are the most frequent types of complaints for licensees. Competence and conduct issues are referred for formal investigation to Investigative CPA staff or to the Department of Consumer Affairs' Division of Investigation. Other confirmed violations may result in citations with fines, mandated continuing professional education or, in the instance of more substantive violations, a formal accusation.

The information on the opposite page provides a statistical overview of the Enforcement Division's activity for fiscal years 1998-1999, 1999-2000 and 2000-2001.

It's All in the Numbers (continued from page 12)

	FY 1998/1999	FY 1999/2000	FY 2000/2001
Complaints Received			
Licensed	356	291	236
Unlicensed/Unregistered/Delinquent	217	219	173
Total	573	510	409
Complaints Referred to Investigators for Formal Investigation			
<i>Licensed Investigations Opened</i>			
Contractual	0	0	0
Fraud	6	12	4
Competence/Negligence	27	32	18
Other	18	17	11
Personal Conduct	5	2	2
Product Quality	0	5	1
Unprofessional Conduct	51	44	44
Unlicensed/Unregistered	4	32	12
Unlicensed Investigations Opened	32	14	12
Total	143	158	104
Complaints Closed Without Going to Formal Investigation			
Licensed	318	214	167
Unlicensed	158	146	138
Total	476	360	305
Formal Investigations Closed			
<i>Licensed Investigations Closed</i>			
Fraud	5	11	3
Nonjurisdictional	1	0	0
Competence/Negligence	37	28	23
Other	8	9	11
Personal Conduct	4	2	4
Product Quality	1	4	1
Unprofessional Conduct	90	48	53
Unlicensed/Unregistered/Delinquent	8	25	21
Total	154	127	116
Unlicensed Investigations Closed	38	23	8
Grand Total	192	150	124
Formal Investigations Pending as of June 30, 1999, June 30, 2000, and June 30, 2001			
Licensed	69	85	44
Unlicensed	13	5	9
Total	82	90	53
Actions Filed			
Accusations/Petitions to Revoke Probation	35	28	19
Statements of Issue	3	0	1
Citations	131	70	38
Criminal Actions	2	3	2
Civil Actions	0	0	0
Total	171	101	60

RQM Program Results

2001 Annual Report

Under the provisions of Section 5024 of the Business and Professions Code, the California Board of Accountancy has created a Report Quality Monitoring Program and appointed a Report Quality Monitoring Committee (RQMC) consisting of 25 Certified Public Accountants. The purpose of the program is to monitor and promote professional competence by reviewing selected licensees' degree of compliance with current accounting principles and reporting standards.

Overview

The Report Quality Monitoring Program selects licensees on the basis of a statistical sampling and requests them to submit copies of the highest level financial report (audit, review or compilation) rendered during the two years preceding the license expiration date. The financial report is selected by the licensee.

Under Section 54.1 of the California Board of Accountancy Regulations, the licensee is permitted to submit the report without obtaining the client's permission. However, licensees have the option of deleting all identifying information related to the client.

The RQM Program selection pool is based upon a licensee renewing in active status and indicating on the renewal form that he or she had primary responsibility for and signed at least one financial statement during the two years preceding license expiration date. From this group, 45 licensees are selected each month. A control group of five licensees is selected from the pool of licensees who indicated that they had undergone a peer or quality review during the prior two-year period and received an "unmodified" rating.

A licensee becomes eligible for reselection if five or more years have passed since the prior RQM Program selection.

The selection letters are mailed monthly, and licensees are given 30 days to respond. If a licensee fails to respond, a "Second Request" letter is sent by certified mail, return receipt requested, requiring the licensee to respond within 15 days of the date of the letter. If the Board still receives no response, the RQM file is referred to the Enforcement Division for further action. As a result, the licensee may be subject to citation, fine, or other penalties for willful violation of the Accountancy Act.

Selection for participation in the RQM program is not a condition for renewal of a licensee's CPA/PA certificate. Although the program is considered "educational," nonresponse or repeated marginal or substandard responses may be referred to the Enforcement Division.

Reports are evaluated according to the following four categories:

Satisfactory (Rate 1)	Conforms with substantially all applicable requirements of professional standards.
Acceptable (Rate 2)	Generally conforms with substantially all applicable requirements of professional standards; contains departures that do not make the financial report uninformative.
Marginal (Rate 3)	Contains departures from the requirements of professional standards that may make the financial report uninformative.
Substandard (Rate 4)	Significantly departs from the requirements of professional standards.

If the report is graded Marginal, a second review by another committee member is required to ensure consistency in the evaluations, and continuing education can be recommended or mandated.

If the report is graded Substandard, a second review by the chair or vice-chair of the committee is required for concurrence purposes, and continuing education is mandated.

Upon completion of the recommended continuing education, the licensee is requested to submit evidence of completion of the courses taken within six months of the date of the letter. A licensee's completion of mandated continuing education is monitored.

A licensee with a prior Marginal or Substandard report is required to submit another financial report for review within six months. If the licensee completed recommended CE, the new report should reflect work undertaken subsequent to the completion of CE.

If a licensee received three consecutive Marginal ratings or two consecutive Substandard ratings, the licensee is referred to the Enforcement Division.

2001 Evaluation Results

January - December 2001

Total licensees selected	622
Waived ¹	<u>27</u>
Total to be reviewed	595
Reviews completed	580
Remainder to be reviewed²	15
Referred to Enforcement ³	14

¹ A licensee is waived when he or she no longer issues reports or incorrectly indicated on the renewal form that he or she issues reports.

² Reflects files pending subsequent review by the committee as a result of Marginal or Substandard evaluations issued to licensees. All reports receiving a Marginal or Substandard evaluation are reviewed by other committee members to ensure a consensus regarding the rating.

³ Of these 14 cases, 13 were referred to the Enforcement Division for failure to submit a report, and one for submitting two Substandard reports.

Type of Report	%	Totals	Without Peer Review	With Peer Review
Commercial	82%	477	439	38
Government	3%	19	12	7
Nonprofit	<u>15%</u>	<u>84</u>	<u>74</u>	<u>10</u>
Total	100%	580	525	55
Level of Report				
Audits	32%	183	149	34
Reviews	19%	110	95	15
Compilations with disclosure	13%	73	71	2
Compilations without disclosure	<u>36%</u>	<u>214</u>	<u>210</u>	<u>4</u>
Total	100%	580	525	55

2001 Statistical Information

Results of Audits

January - December 2001

Without Peer Review			With Peer Review	
Rate	Number Reviewed	%	Number Reviewed	%
1	104	70%	26	76%
2	28	19%	8	24%
3	10	7%	0	0%
4	7	4%	0	0%
Total	149	100%	34	100%
Pass Rates 1 & 2	132	89%	34	100%
Fail Rates 3 & 4	17	11%	0	0%

Results of Reviews

January - December 2001

Without Peer Review			With Peer Review	
Rate	Number Reviewed	%	Number Reviewed	%
1	50	53%	10	67%
2	28	29%	5	33%
3	14	15%	0	0%
4	3	3%	0	0%
Total	95	100%	15	100%
Pass Rates 1 & 2	78	82%	15	100%
Fail Rates 3 & 4	17	18%	0	0%

2001 Statistical Information

Results of Compilations

January - December 2001

With Disclosure					Without Disclosure				
Without Peer Review			With Peer Review		Without Peer Review			With Peer Review	
Rate	Number Reviewed	%	Number Reviewed	%	Number Reviewed	%	Number Reviewed	%	
1	27	38%	2	100%	127	60%	4	100%	
2	27	38%	0	0%	72	34%	0	0%	
3	8	11%	0	0%	10	5%	0	0%	
4	9	13%	0	0%	1	1%	0	0%	
Total	71	100%	2	100%	210	100%	4	100%	
Pass									
Rates 1 & 2	54	76%	2	100%	199	95%	4	100%	
Fail									
Rates 3 & 4	17	24%	0	0%	11	5%	0	0%	

Total of All Levels of Service

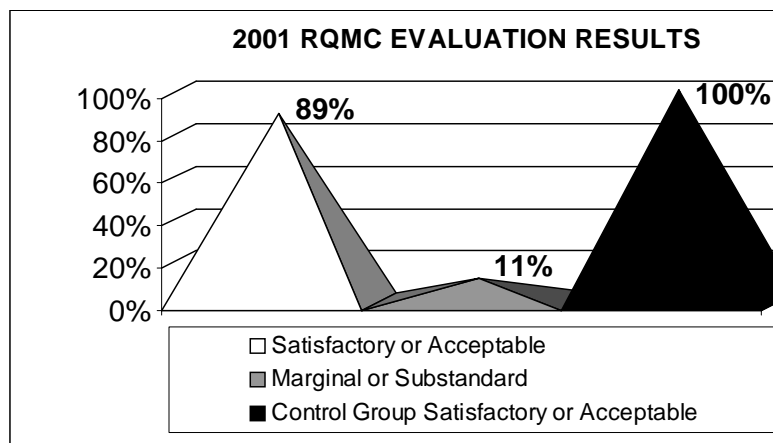
January - December 2001

Without Peer Review			With Peer Review	
Rate	Number Reviewed	%	Number Reviewed	%
1	309	59%	42	76%
2	155	30%	13	24%
3	42	8%	0	0%
4	19	3%	0	0%
Total	525	100%	55	100%
Pass				
Rates 1 & 2	464	88%	55	100%
Fail				
Rates 3 & 4	61	12%	0	0%

Observations

The 2001 program results show that 89 percent of the licensees in the RQM program achieved a Satisfactory or Acceptable (Passing) evaluation, and 11 percent received a Marginal or Substandard evaluation, requiring further participation in the program.

Findings from the control sample continue to show that licensees undergoing peer review consistently perform well in RQMC review. All licensees with unmodified peer reviews received Satisfactory or Acceptable RQMC ratings.



RQMC Historical and Current Statistical Information

Overall Results	2001	2000	1999	1998	1997
Passing	519 (89%)	502 (89%)	413 (81%)	402 (76%)	441 (76%)
Further Participation Required	61 (11%)	65 (11%)	94 (19%)	125 (24%)	142 (24%)
Totals	580 (100%)	567 (100%)	507 (100%)	527 (100%)	583 (100%)

The above chart illustrates overall results dating to 1997. The 2001 program results reflect a continued increase in the number of licensees who achieved a passing rating.

Disciplinary Actions and Standard Probationary Terms

When the Board receives a complaint, an investigation is conducted. Information regarding a complaint generally is gathered by staff Investigative CPAs, often accompanied by a licensee's appearance before the Board's Administrative Committee. In some cases, information is gathered by the Department of Consumer Affairs Division of Investigation.

Following this investigation, or for other reasons, a recommendation is made either to close the case for lack of evidence, or to refer the matter to the Attorney General for review and possible preparation of an accusation against the licensee or a statement of issues relating to the applicant.

The Board may revoke, suspend, or impose probation on a license for violation of applicable statutes or regulations. In addition to any case-specific terms of probation, the standard probationary terms include:

- Obey all federal, California, other state, and local laws, including those rules relating to the practice of public accountancy in California.
- Submit within 10 days of completion of the quarter, written reports to the Board on a form obtained from the Board. The Respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the Board or its representatives.
- During the period of probation, appear in person at interviews or meetings as directed by the Board or its designated representative, provided such notification is accomplished in a timely manner.
- Comply with the terms and conditions of the probation imposed by the Board, and cooperate fully with representatives of the Board in its monitoring and investigation of the respondent's compliance with probation terms and conditions.
- Be subject to, and permit a "practice investigation" of the Respondent's professional practice. Such a "practice investigation" shall be conducted by representatives of the Board, provided notification of such review is accomplished in a timely manner.
- Comply with all final orders resulting from citations issued by the California Board of Accountancy.
- In the event Respondent should leave California to reside or practice outside this state, Respondent must notify the Board in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of the Board.
- If Respondent violates probation in any respect, the Board, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is filed against Respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.
- Upon successful completion of probation, respondent's license will be fully restored.

If charges are filed against a licensee, a hearing may be held before an independent administrative law judge who submits a proposed decision to be considered by the Board of Accountancy, or the matter may be settled. The Board may either accept the proposed decision or decide the matter itself. Please note that Board actions reported here may not be final. After the effective date of the Board's decision, the licensee may obtain judicial review of its decision. On occasion, a court will order a stay of the Board's decision or return the decision to the Board for reconsideration.

Copies of the accusations, decisions, and settlements regarding any of these disciplinary actions are available by sending a written request to: California Board of Accountancy, Attention: Disciplinary Actions, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832. Please state the licensee's name and license number, and allow approximately three weeks for each request.

Disciplinary Board Actions through 8/25/02

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Code Violation(s) Charged
COLINA, JOSE M. Santee, CA (CPA 57246) Revocation of CPA Certificate, via default decision. Effective August 25, 2002	While on probation, Mr. Colina violated the terms on his probation in that he failed to do the following: submit written reports, cooperate with probation monitoring, and make cost recovery reimbursement payments.	Mr. Colina violated terms 2, 4, and 9 of the Stipulated Decision and Order, effective July 21, 2000.
DEGNAN, DANIEL P. San Jose, CA (CPA 32446) Revocation of CPA Certificate, via default decision. Effective August 25, 2002	<p>Mr. Degnan's license expired on February 29, 2000, and he subsequently held himself out as a certified public accountant and provided tax preparation services for clients during 2001 and 2002. Specifically, he completed and provided federal and state personal income tax returns for a client in August 2001, and a federal personal income tax return for a second client in February 2002.</p> <p>Mr. Degnan's practice with an expired license was a repeat violation.</p> <p>In addition, Mr. Degnan relocated his office in November 2001, but he did not report the change of address to the Board within 30 days as required under Section 3 of the Accountancy Regulations.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5050, and 5100 (f). California Code of Regulations, Title 16, Division 1, § 3.

(Please see Disciplinary Actions, continued on page 21)

Other Board Actions through 8/25/02

Name/Board Actions	Cause for Discipline	Code Violation(s) Charged
<p>KPMG LLP Los Angeles, CA (PAR 157)</p> <p>30 days' suspension stayed, with one year's probation, via Decision after Nonadoption.</p> <p>Note: KPMG has appealed the Board's Decision after Nonadoption via Petition for Writ of Mandate.</p> <p>Probation terms include:</p> <ul style="list-style-type: none"> ■ Reimburse the sum of \$1,814,678.80 as the Board's reasonable costs. ■ \$21,989 to be paid as a monetary sanction under Title 1, California Code of Regulations, Section 1040 (a)(1). ■ KPMG shall be subject to a practice investigation of its California practice in the area of audits of governmental agencies. ■ KPMG staff at senior level and above who are assigned to an audit of a governmental agency in California shall obtain at least 40 hours of continuing education in the areas of government accounting and auditing. ■ KPMG staff at senior level and above who are assigned to an audit of a governmental agency in California shall have at least 300 hours of experience in audits of government agencies except, if the person is assigned to audit any government agency having an annual budget in excess of \$10,000,000, the person shall have at least 1,000 hours of experience in audits of government agencies. <p>Other standard terms and conditions.</p>	<p>In the performance of the audits of the 1992 and 1993 financial statements of Orange County, KPMG is subject to discipline for failure to exercise due professional care and for gross negligence in committing extreme departures from generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS), including several of the 10 general auditing, field work, and reporting standards.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5100 and 5100 (c).</p>

(Please see Disciplinary Actions, continued on page 22)

Effective August 24, 2002

UPDATE Issue #52

Other Board Actions through 8/25/02

Name/Board Actions	Cause for Discipline	Code Violation(s) Charged
<p>McBRIDE, MARGARET JEAN Costa Mesa, CA (CPA 49065)</p> <p>One year's suspension stayed, three years' probation via Decision after Nonadoption.</p> <p>Note: Ms. McBride has appealed the Board's Decision after Nonadoption via Petition for Writ of Mandate.</p> <p>Probation terms include:</p> <ul style="list-style-type: none"> ■ 40 hours of continuing education as directed by the Board. This requirement shall be in addition to continuing education hours required for license renewal. ■ Prior to participation in any government agency audit in California, Ms. McBride shall further be required to complete 40 hours of continuing education in the areas of government accounting and auditing and at least eight hours of continuing education in the area of professional ethics. ■ 100 hours of community service in Orange County. ■ Other standard terms and conditions. 	<p>As engagement partner for the audits of the 1992 and 1993 financial statements of Orange County, Ms. McBride is subject to discipline for failure to exercise due professional care and for gross negligence in committing extreme departures from generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS). Ms. McBride failed to properly plan and supervise staff auditors in the performance of these engagements.</p> <p>Ms. McBride further is subject to discipline for reporting the county's compliance with laws and regulations without an adequate basis for that conclusion.</p> <p>Ms. McBride also is subject to discipline for approving the preparation of a workpaper without insuring that the staff auditor properly dated said workpaper.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5100 and 5100 (c), (f), and (i).</p>

Effective August 24, 2002

(Please see Disciplinary Actions, continued on page 23)

Other Board Actions through 8/25/02

Name/Board Actions	Cause for Discipline	Code Violation(s) Charged
<p>PARKER, JOSEPH HORTON Newport Beach, CA (CPA 60373)</p> <p>180 days' suspension stayed, two years' probation via Decision after Nonadoption.</p> <p>Note: Mr. Parker has appealed the Board's Decision after Nonadoption via Petition for Writ of Mandate.</p> <p>Probation terms include:</p> <ul style="list-style-type: none"> ■ 40 hours of continuing education as directed by the Board. This requirement shall be in addition to continuing education hours required for license renewal. ■ Prior to participation in any government agency audit in California, respondent shall further be required to complete 40 hours of continuing education in the areas of government accounting and auditing and at least eight hours of continuing education in the area of professional ethics. ■ 100 hours of community service in Orange County. ■ Other standard terms and conditions. 	<p>In the performance of the audit of the 1992 financial statements of Orange County, Mr. Parker is subject to discipline for failure to exercise due professional care and for gross negligence in committing extreme departures from generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS).</p> <p>Mr. Parker failed to properly plan and supervise staff auditors in the engagement, accepted management's assertions without corroboration, and failed to maintain the proper level of professional skepticism regarding management representations.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5100, and 5100 (c) and (f).</p>

Effective August 24, 2002

(Please see Disciplinary Actions, continued on page 24)

Other Board Actions through 8/25/02

Name/Board Actions	Cause for Discipline	Code Violation(s) Charged
<p>TIMON, BRADLEY JAY Aliso Viejo, CA (CPA 63696)</p> <p>180 days' suspension stayed, two years' probation via Decision after Nonadoption.</p> <p>Note: Mr. Timon has appealed the Board's Decision after Nonadoption via Petition for Writ of Mandate.</p> <p>Probation terms include:</p> <ul style="list-style-type: none"> ■ 40 hours of continuing education as directed by the Board. This requirement shall be in addition to continuing education hours required for license renewal. ■ Prior to participation in any government agency audit in California, Mr. Timon shall further be required to complete 40 hours of continuing education in the areas of government accounting and auditing and at least eight hours of continuing education in the area of professional ethics. ■ 100 hours of community service in Orange County. <p>Other standard terms and conditions.</p> <p>Effective August 24, 2002</p>	<p>In the performance of the audit of the 1993 financial statements of Orange County, Mr. Timon is subject to discipline for failure to exercise due professional care and for gross negligence in committing extreme departures from generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS).</p> <p>Mr. Timon failed to properly plan and supervise staff auditors in the engagement, accepted management's assertions without corroboration, and failed to maintain the proper level of professional skepticism regarding management representations.</p> <p>Mr. Timon also prepared a workpaper and made revisions to the Completion Memorandum without including the actual dates when said documents were prepared or revised.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5100, and 5100 (c), (f), and (i).</p>

(Please see Disciplinary Actions, continued on page 25)

Other Board Actions through 8/25/02

Name/Board Actions	Cause for Discipline	Code Violation(s) Charged
FREEDMAN, ERIC LEWIS Irvine, CA (CPA 64703) In the interest of justice, no discipline was imposed. Effective August 24, 2002	<p>In the performance of the audit of the 1993 financial statements of Orange County, Mr. Freedman failed to perform his duties with respect to audit testing and documentation of compliance with investment laws and regulations and failed to gain an understanding of internal control structure.</p> <p>Mr. Freedman also failed to properly plan and supervise staff auditors in the 1993 engagement, and he failed to maintain the proper level of professional skepticism regarding management representations.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5062, and 5100 (c) and (f).
LOH, DAVID S.K. West Hills, CA (CPA 34717) Revocation stayed with three years' probation, via stipulated settlement. Mr. Loh is required to reimburse the Board \$11,738.44 for its investigation and prosecution costs. At Mr. Loh's expense, another licensee, approved by the Board or its designee, shall review all audits and reviews performed during the probationary period prior to issuance. In addition to the 80 hours required for license renewal, Mr. Loh shall complete and provide proper documentation of 24 hours of continuing education within the period of time designated by the Board. Mr. Loh shall maintain an active license status with the Board. Other standards terms and conditions of probation. Effective August 25, 2002	<p>For purposes of settlement, Mr. Loh admits that he was grossly negligent in his audits of the financial statements of Community Youth Sports & Arts Foundation for the year ended December 31, 1998, and Pacific Havens, Inc. for the year ended December 31, 1999.</p> <p>The audits contained extreme departures from generally accepted auditing standards. The auditor's report and the working papers prepared in support of the auditor's opinion failed to comply with applicable professional standards.</p> <p>Specifically, Mr. Loh failed to properly plan the audits, document his understanding and consideration of internal control, obtain sufficient competent evidential matter, obtain management and legal representations, modify his audit report for departures from generally accepted accounting principles and exercise due professional care in the performance of the audits.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100 (c) and (f). California Code of Regulations, Title 16, Division 1, § 58.

Disciplinary Definitions

Accusation

A formal document that notifies a licensee of the agency's charges against the licensee.

Cost Recovery

The licensee is ordered to pay the Board certain costs of investigation and prosecution including, but not limited to, attorney fees.

Default Decision

The licensee failed to file a Notice of Defense or has otherwise failed to request a hearing, object, or otherwise contest the accusation. The Board takes action without a hearing based on the accusation and documentary evidence on file.

Effective Date

The date the disciplinary decision becomes operative.

Probation

The licensee may continue to engage in activities for which licensure is required, under specific terms and conditions.

Reinstatement

A revoked license that is restored, not sooner than one year from the date of revocation, to a clear or inactive status after petition to and approval by the Board. Reinstatement may include probation and/or terms and conditions.

Revocation

The individual, partnership, or corporation is no longer licensed as a result of a disciplinary action.

Stayed

The action does not immediately take place and may not take place if the license complies with other conditions (such as a probation term).

Stipulation

The matter is negotiated and settled without going to hearing.

Suspension

The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.

Surrendered

The licensee has surrendered the license. The individual, partnership, or corporation is no longer licensed. The Board, however, may impose discipline against a surrendered license in certain circumstances. Surrender also may require certain conditions be met should the former licensee ever choose to reapply for licensure.

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ADDRESS CHANGE FORM

A separate change of address form must be submitted for each license type.

Please Print

Name of Licensee

Individual (CPA/PA) - Lic. No. _____

Last	First	Middle

Name of Firm

☐ Corporation ☐ Partnership ☐ Fictitious Name

License No. _____

Firm Name

Address of Record

Be advised that your address of record is public information, and all Board correspondence will be sent to this address.

☐ Home ☐ Business (check one)

--

Business Name (if different from name above)

--

Street

☐ Apt. # ☐ Suite # (check one)

--	--	--

City

State

Zip

Other Address

Provide a street address if your address of record is a mail drop or a Post Office Box. This address will not be posted on the Web License Lookup.

☐ Home ☐ Business (check one)

--

Street

☐ Apt. # ☐ Suite # (check one)

--	--	--

City

State

Zip

Daytime Phone Number

-	-
Area Code	

Date of Birth

Mo.	Day	Year

I certify the truth and accuracy of all of these statements and representations.

Signature of Licensee,
Licensed Partner, or
Licensed Shareholder _____

Date _____

Print your name _____

A licensee who fails to notify the California Board of Accountancy within 30 days of a change in his/her address of record may be subject to citation and fine (fines ranging from \$100-\$1000) under the California Code of Regulations, Title 16, Division 1, Sections 3 and 95.2.

The Board maintains a list of all licensees. This list is sold to requestors for mailing list purposes. Check here only if you do not want your name included on this list. ☐
Please Note: Your name and address of record is public information and can be accessed through our Web site at www.dca.ca.gov/cba.

Mail to: California Board of Accountancy, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832

or **FAX to:** (916) 263-3675

Board of Accountancy Directory

Board Office	(916) 263-3680
Board Office Facsimile	(916) 263-3675
License Status Check	(916) 263-3680
..... Also available on Board Web site.	
General Examination Questions	examinfo@cba.ca.gov
..... (916) 263-3953 or 263-3958	
... Facsimile (916) 263-3677 or (916) 614-3253	
Enforcement Information and Questions	enforcementinfo@cba.ca.gov
..... (916) 263-3971	
..... Facsimile (916) 263-3673	
Certifications	(916) 263-3949
Initial Licensing — Individual:	licensinginfo@cba.ca.gov
..... fingerprinting@cba.ca.gov	
..... (916) 263-3947	
..... Facsimile (916) 263-3676	
Initial Licensing — Partnerships, Corporations, Fictitious Names:	(916) 263-3944
..... (916) 263-3696	
..... Facsimile (916) 263-3676	
Renewal for CPA/PA, Partnerships, Corporations, Continuing Education:	
..... renewalinfo@cba.ca.gov	
..... (916) 263-3934	
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Department of Consumer Affairs
California Board of Accountancy

Update **Issue #52**

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Address Service Requested

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